

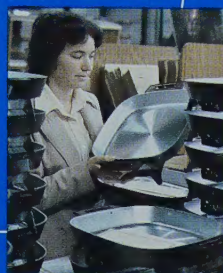
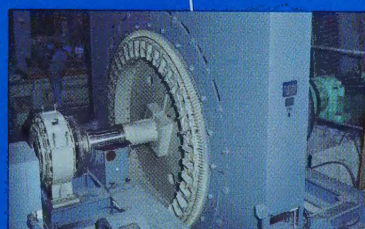
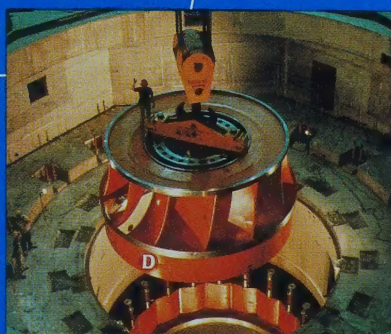


Canadian  
General Electric

1882-1982

AR79

## Annual Report 1981



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### The Cover

This year's cover is illustrative of the increasing export activities of Canadian General Electric and its world-wide competitiveness. The four products depicted are ore grinding mills, hydraulic turbines, synchronous motors and frypans.

### Meeting Notice

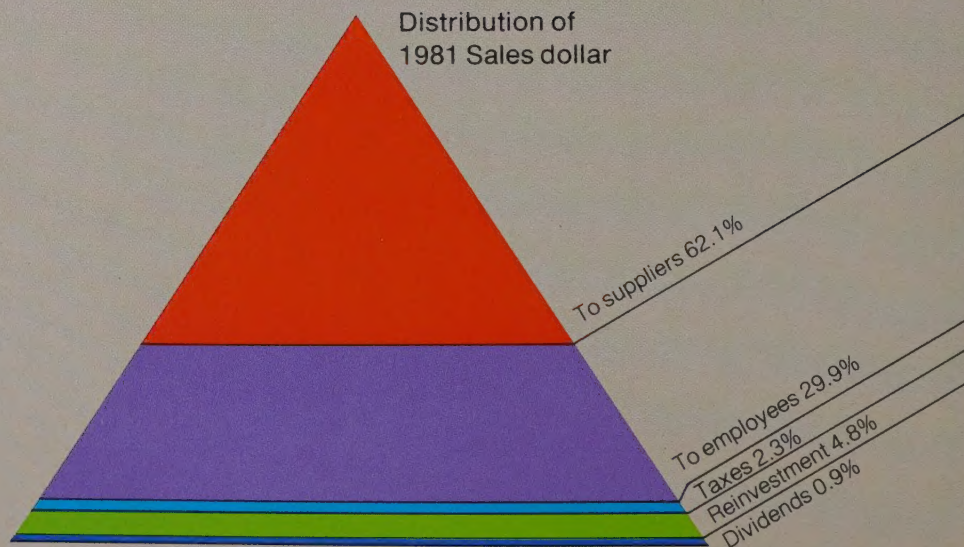
The Annual General Meeting of Shareholders of Canadian General Electric Company Limited will be held in "Commerce Hall", Commerce Court West, (King & Bay Streets), Toronto, Canada, on the 28th day of April, 1982, commencing at 10 o'clock in the forenoon.

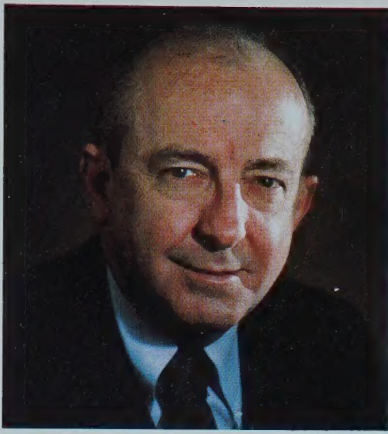
Pour obtenir un exemplaire de ce rapport en français, veuillez vous adresser au Secrétaire.

## Highlights of Operations

Canadian General Electric Company Limited  
and Consolidated Affiliates

	1981	1980
<b>Financial</b>		
Sales of products and services ( <i>millions</i> )	\$1700.1	\$1465.9
Net earnings ( <i>millions</i> )	51.1	44.9
Capital expenditures ( <i>millions</i> )	68.1	71.5
<b>Measurements</b>		
Net earnings per share ( <i>dollars</i> )	6.25	5.49
Dividends declared per common share ( <i>dollars</i> )	1.95	1.80
Net earnings as a percentage of average shareholders' equity	12.2%	11.7%
Earnings as a percentage of sales	3.1%	3.1%
<b>Statistical</b>		
Number of employees at year-end	19 136	20 213
Number of common shareholders at year-end	1 197	1 227





Alton S. Cartwright

# Report to Shareholders

Despite the economic difficulties which characterized the latter part of 1981, I am pleased to report that Canadian General Electric experienced a successful year. Your Company is entering its 100th year of operation from a position of strength.

The increase in sales for 1981 was achieved as a result of increased sales of heavy industrial and commercial equipment, materials and services. Although the level of sales in consumer goods was satisfactory, a marked decline in this market was evident by year end.

CGE continued to focus its efforts on the development of export markets as a key to future growth. Export of heavy industrial, commercial and utility equipment made the greatest gains.

Export shipments declined by four percent to \$152 million in 1981. The United States remained the Company's largest export market accounting for 31 percent of all shipments. Southeast Asia accounted for 31 percent; Central and South America, 23 percent.

In 1981, isolated phase bus duct, industrial rectifiers, remote manipulators and frypans were added to the list of CGE global product mandates. Currently, there are twenty-five products in this list. Unique CGE products include CANDU nuclear fuel, hydraulic turbines, paper making machinery, ore grinding mills, mine hoists, metal rolling mill equipment, lawnmowers and kettles. These products provide the base for the Company's world-wide growth.

Total revenues in the **ELECTRICAL APPARATUS AND COMPONENTS** segment were 16 percent above 1980 and net earnings rose by 30 percent, reflecting strong demand for heavy equipment in the resource, industrial,

transportation and electrical utility markets. Among the year's achievements was an order from Alberta Natural Gas for two of the largest synchronous motors manufactured to date.

Performance improved in the **MACHINERY, TECHNICAL SYSTEMS AND MATERIALS** segment in 1981. As a result of new orders, total revenues increased by 31 percent and net earnings rose by 42 percent.

Highlights included shipment to Mexico of the largest and most powerful Dominion ore grinding mills and industrial AC machines manufactured to date, and the delivery of the first units of the new Man-Mate® manipulator.

Other shipments to customers in Canada and around the world included hydraulic turbines, replacement turbine runners, mine hoists, and products of composite materials.

**CONSUMER PRODUCTS AND SERVICES** reported an increase of eight percent in total revenues and 16 percent in net earnings despite a general weakening in the consumer goods market.

The Company's major appliance affiliate, Camco Inc, turned in a good performance for the year. Improvements in products and customer service operations enhanced the marketing of major appliances.

In December 1980, subject to approval under the Foreign Investment Review Act, an agreement was reached with GSW Inc. to purchase its interests in Camco for \$21.4 million. Despite Canadian General Electric's commitments of significant economic benefit to Canada with respect to employment, capital investment, research and development, and exports, the acquisition was

disallowed. CGE is taking steps to maintain the technical and competitive position of Camco.

While Canadian General Electric is able to announce figures for 1981 which show earnings up 14 percent from the previous year, the Company has not been unaffected by the troubles of an ailing economy. Total orders received decreased by four percent from 1980 because of low demand. This can be attributed to the uncertainty which plagues capital investment decisions in the electrical utility, resource and manufacturing industries in Canada and abroad.

As a result, it has been necessary to lay off personnel, some for extended periods. The level of employment in the consolidated group was 19,136 at year end compared to 20,213 in 1980. The forecasts for 1982 indicate even tougher economic times ahead and further layoffs may be necessary.

Capital expenditure in plant, machinery and equipment was \$68 million in 1981, compared with \$72 million in the previous year and \$40 million in 1979. Major investments included expenditures in 1981 on the first phase of a new \$97 million compressor airfoil plant at Bromont, Québec, and the purchase of seven additional well servicing rigs to expand the operations of Widney Well Servicing (1971) Limited. To increase capacity, improve productivity, and to maintain its competitive edge, CGE continues to invest in state-of-the-art machinery and equipment.

To remain at the forefront of production technology, CGE continues to expand the use of CAD/CAM (computer aided design and manufacturing) systems in its businesses. The application of



CAD/CAM technology has improved productivity, product quality, and the quality of jobs.

Technological leadership is a strategic objective of CGE. The expenditure of \$24 million on research and development in 1981, a nine percent increase over the previous year, is indicative of this thrust.

In addition to making technical advances in conventional product lines such as power conversion and delivery equipment and industrial drive systems, in 1981 CGE extended its research and development capabilities to the Canadian natural resource sector. A new research operation was established in Edmonton, Alberta to undertake projects related to the development of both conventional and non-conventional, renewable energy.

The Company's achievements in research and development have depended not only on the expenditure of money but on the dedication of a group of highly skilled, professional men and women. Representative of these talented people is John A. Young, a design engineer in Industrial Apparatus Engineering. Mr. Young was honoured in 1981 with the coveted Steinmetz Award for outstanding technical achievement. This award is granted every two years. John Young is the fourth CGE employee to be so honoured since the inception of the Steinmetz Award by General Electric in 1974.

The Company's anticipation of change in its external operating environment has enabled it to plan the development of new market opportunities, elimination of marginal operations and the investment of capital for future returns. Selective

pruning combined with the development of new product lines and with diversification keeps CGE resilient even in difficult economic times.

Your Company is being restructured to implement strategic thrusts toward world scale competitiveness in high technology and high volume products, toward investment in service and other businesses which are less vulnerable to imports, and toward diversification into the energy and natural resource sectors.

As reported in 1978, CGE entered the oil and gas exploration and development business. This year \$16 million was added to the investment in a joint venture with Ladd Petroleum bringing the investment in oil and gas resource properties to \$37 million to date. The Company's share of the value of proven and probable reserves is substantially in excess of their cost.

Programs to improve the skills of CGE employees were continued in 1981. In-plant courses, advanced engineering and management development courses, and entry-level programs for graduates joining the Company continued to be important elements in training and skills upgrading.

1982 is a special year for Canadian General Electric. The Company traces its beginnings to 1882 when the Edison Electric Light Company of Canada and the Thomson-Houston Electric Light Company of Canada were incorporated by Acts of the Canadian Parliament. These two companies merged with the Toronto Construction and Electrical Supply Company in 1892 to form Canadian General Electric Company Limited.

Traditionally, CGE has been known as a leading Canadian manufacturer of electrical goods. While these remain

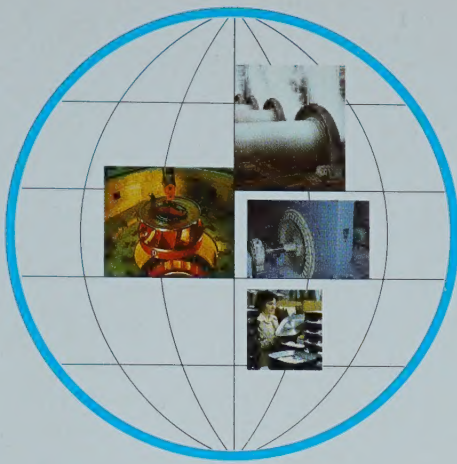
important elements of the Company's product mix, today Canadian General Electric is a competitive participant in world markets for materials and services, heavy industrial machinery related to natural resource development, transportation propulsion and control equipment, and communication systems.

Canadian General Electric has served Canadians for 100 years. The Company has grown with Canada, anticipating and keeping pace with the changing requirements of the nation. Through imagination, innovation and technological leadership, the Company will continue to contribute to Canada's future economic growth and development.

Mr. Robert Kurtz, who has served as a director since 1972, and Mr. Alexander Wilson, who joined the Board in 1979, will not be standing for re-election at the 1982 Annual Meeting. The Board wishes to thank these men for their valuable contributions to Canadian General Electric.

Successive generations of CGE employees have brought distinction to the Company and to the products it manufactures. The Directors express their sincere appreciation to all employees for another successful year.

ALTON S. CARTWRIGHT  
Chairman of the Board and  
Chief Executive Officer



# Directing Change: Strategy for Growth

**M**anaging change has become the business preoccupation of the 80's. As technology continues to accelerate the pace of change, the survivors will be those companies which do not merely react to changing political and economic times but which anticipate and prepare for change and use it to their advantage.

The history of Canadian General Electric is the story of a Company that for 100 years has made strategic decisions in anticipation of and in response to its changing environment. As a result, for 100 years CGE has been a highly diversified, viable and profitable company relevant to the times in which it is operating.

A brief review of its history reveals just how diversified this activity has been. In its early days, besides electrical equipment and supplies CGE was involved in such businesses as ornamental iron, iron pipe, shipbuilding, the manufacture of tram cars, steam engines, rock crushers, locomotives and water wheels. During World Wars I and II, the Company manufactured ordnance. Today, in addition to being the country's leading manufacturer of electrical equipment, CGE is a worldwide supplier of such diverse products as heavy industrial equipment, nuclear fuel and nuclear fuel handling systems, high performance plastics and silicones, computerized traffic control systems and consumer goods.

As a company affiliated throughout its history with General Electric, CGE, operating with the protection of high tariffs, was a replica of its U.S. parent,

producing a wide spectrum of GE products. While it remains the focal point for GE system participation, in recent times Canadian General Electric has been evolving into a very different company – a company which now also designs and manufactures unique Canadian product lines for domestic and international markets. CGE and Canada have benefitted from this affiliation through access to the engineering, technological and commercial strength of the American company.

The CGE role has been well suited to the needs and requirements of the Canadian environment – an environment which historically has supported the manufacturing sector and assisted in its growth. A number of fundamental economic and political changes which took place in the 1960's and seventies have impacted significantly on the Company's historic role as an affiliate of General Electric.

Tariff protection for Canadian manufacturing industries has been a national policy since the days when Sir John A. Macdonald was Prime Minister. With the signing of trade agreements arising from the Kennedy

and Tokyo rounds of multi-lateral trade negotiations under the General Agreement on Tariffs and Trade (GATT) in 1967 and 1979 respectively, the situation has changed. As tariffs are gradually reduced under GATT, import competition in Canada intensifies.

In addition to tariff protection, Canadian manufacturers also benefitted competitively from a wage scale which was substantially lower than that of the United States. That wage rate advantage has disappeared – further increasing competitive pressure.

A third influence has been the growth of economic nationalism. This has been reflected in legislation and programs of selective support for Canadian manufacturing through various tax concessions and price premiums for Canadian content, and constraints on foreign ownership with the establishment of the Foreign Investment Review Agency.

All these factors, combined with a slowdown in economic growth, have had a significant impact on the earnings of the Company. As CGE moved through the seventies, new strategies were developed to enable it to compete profitably in the new environment.

The new corporate strategy involves the reallocation and concentration of Company resources in three selected areas of indigenous strength and opportunity, namely:

- world-class competitive products,
- service businesses, and
- energy resources.

Through restructuring, developing



*Construction of the first CGE plant in Peterborough was completed in 1891.*



new businesses and repositioning or dropping weak product lines, the objective is to create a more profitable, diversified and internationally focussed company.

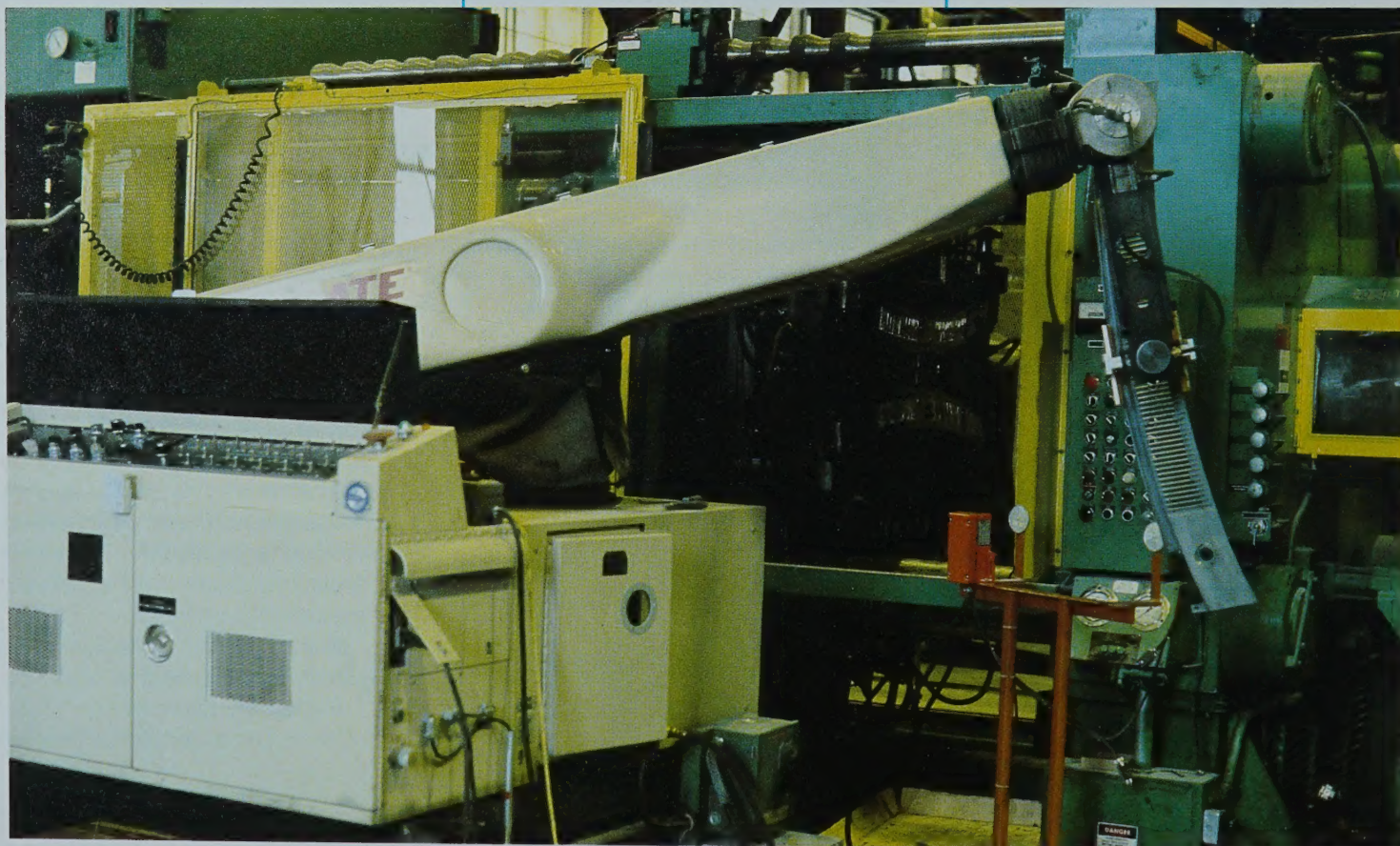
Manufactured products will consist mainly of those with indigenous Canadian cost or technology advantages, integration opportunities, and the potential for international competitiveness. Such products include hydroelectric generation equipment, advanced materials, solid state power rectification and products where GE system integration and/or domestic industry rationalization can be achieved to provide potential volume and cost competitiveness.

CGE is doing four things to improve volume and productivity. First, the Company is investing in productivity improvement through the installation of automated machinery, the use of robots and the installation of computer aided design and manufacturing (CAD/CAM) systems.

Second, the Company is bolstering its research and development effort. As more unique products are added, it is apparent that an increased indigenous research and development effort is necessary. Investment in research and development has moved up from \$6.5 million in 1976 to \$24 million in 1981. CGE engineers and scientists have been awarded over 160 patents in

the same period. The Company is applying the most advanced technology in the manufacture of our unique CGE products. For example, at Dominion Engineering Works in Montréal, finite element computer techniques analyze the water flow in hydraulic turbines, enabling the Company to improve their efficiency.

Third, recognizing that productivity improvement targets can be met only through the synergy arising from a combination of human skills and technical systems, the Company is attacking the problems related to human skills and payroll effectiveness. It is hiring externally those skills which it does not possess, increasing the





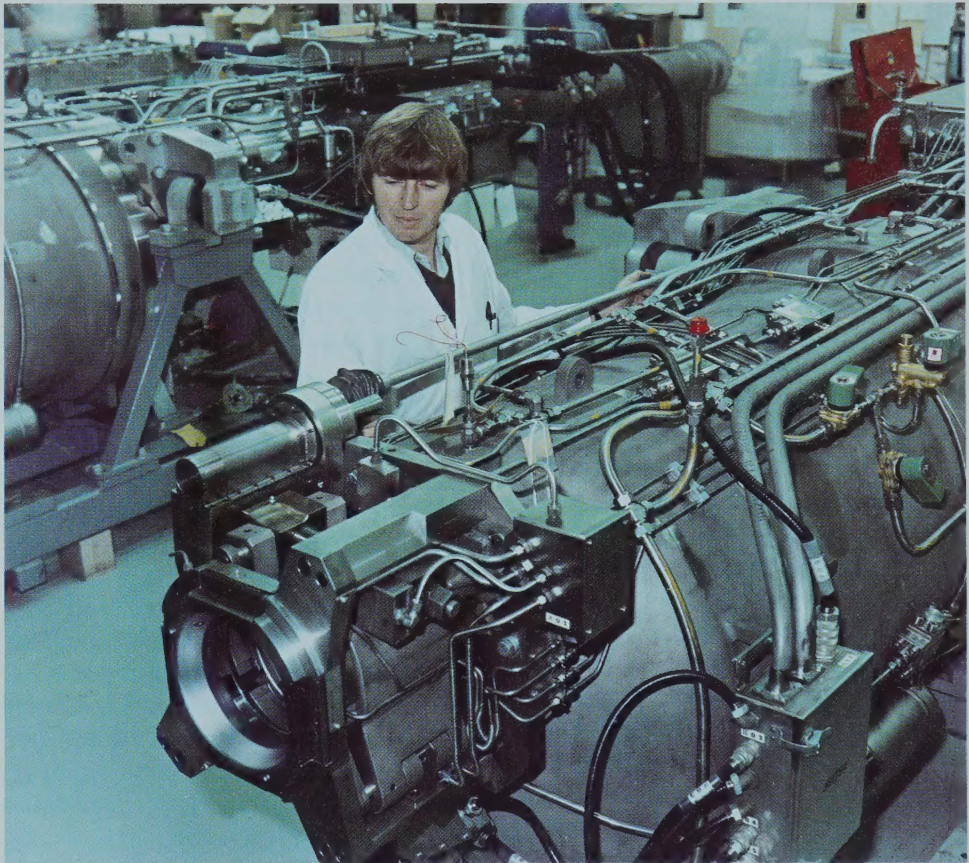
number of entry-level engineers and candidates with advanced degrees, upgrading entry-level development programs, revitalizing apprenticeship programs and providing advanced education for engineers.

And fourth, to meet the need for closer co-operation between government and industry more time is being spent in communicating with the Federal and Provincial Governments and their agencies. This effort is aimed at developing a better rapport on foreign ownership, research and development, international trade and industrial concentration.

The development of opportunities in Canada for service businesses is the second strategic area of Company involvement. Services have low import vulnerability and represent an attractive opportunity for continued high growth. The Company has embarked on this direction successfully with profitable operations in service shops, engineering and computer services.

The third CGE strategic thrust is diversification into the energy resource sector. There are substantial opportunities for investment in energy and up to 30 percent of the Company's total capital investment from 1981 to 1986 will be utilized in this direction. The Company has already invested approximately \$40 million in oil and gas exploration in Western Canada and another \$14 in oil and gas well servicing. Other opportunities for expansion exist in energy-related service businesses.

The Company intends to finance new business development through exits from less profitable businesses.



*Colin Jeffery, technician, assembling nuclear fuelling machine at Peterborough plant.*

This will result in a reallocation of resources from cash traps to potential high growth businesses. Since 1970, there have been exits from and prunings of 44 product lines. Forty-one new products have been developed and added.

Traditionally, the celebration of 100 years is a time to reflect on past achievements. Canadian General Electric is extremely proud of its past. What is important about our first 100 years however, is not so much where

we have been, but where we are going.

Strategic management is providing CGE with the flexibility to pursue opportunities presented by a constantly changing environment. The Company continues to change, grow and reposition itself. Restructuring, diversification and internationalization will ensure that Canadian General Electric remains in a position of strength and profitability through the eighties and beyond.



D. Forrest Rankine  
V.P. and Division Executive

# Apparatus and Heavy Machinery Division

**T**he Apparatus and Heavy Machinery Division increased sales and earnings substantially in 1981. The Industrial Apparatus segments were prime contributors to improved earnings. Good results were also reported by the Power Generation segments. New orders fell below budget for the first time in several years as the impact of high interest rates and market uncertainties resulted in delays of several energy and resource projects.

Export shipments which represented 17 percent of sales in 1981 continue to be a high growth opportunity. Major orders were received from Mexico, United States, Brazil, Pakistan, England and Guatemala.

The Division has embarked on an aggressive resource reallocation program to focus on high growth, world scale opportunities and to capitalize on unique technological strengths. The results of this program are best demonstrated by the number of new world product mandates earned by the Division in 1981. These included large industrial rectifiers, isolated phase bus duct and Man-Mate®, a remote manipulator. These products, in addition to current world mandates, provide the base for future world-wide growth.

Excellent growth opportunities in the service businesses resulted in the decision to build a new service shop in Kamloops, B.C.

As a result of international opportunities in CANDU nuclear

power plants, the Division made a major investment to integrate vertically into the manufacture of zirconium tubes for nuclear fuel.

Overall investment in productivity improvement and research and development was increased by 15 percent over the previous year.

## Dominion Engineering Works Limited

Dominion Engineering, a wholly owned affiliate located in Lachine, Québec, is one of the leading companies in the design and manufacture of heavy machinery and equipment. The company produces hydraulic turbines, paper-making machinery, ore grinding mills, and steel rolling mills.

It has research and laboratory facilities for the development of its own technology. Many design innovations and patents have been developed by Dominion engineers.

The Company continues to be a major contributor to the growth and development of Canada's world-class metal processing industry with priority on new technology and product development. During 1981, components were shipped to Dofasco Inc. for its #2 Hot Strip mill as part of its steel mill expansion program in Hamilton, Ontario. Completion of the mill is expected in 1982. Construction of the world's largest Stelco coilbox, a unique system for processing hot steel strip, was also near completion at year end. The coilbox will be shipped to The Algoma Steel Corporation in early 1982 for installation in its 106 in. (2700mm) wide hot strip mill.

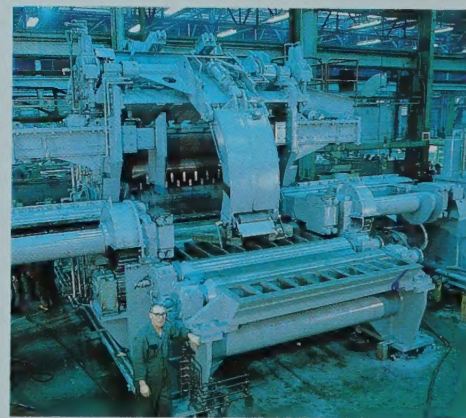
Dominion is aggressively exploring the export market for mining equipment and continues to be the leading supplier of ore grinding mills to

Mexico's mining industry. The first components for four mills were shipped to the Mexican mining company, Sidermex, in 1981. These are among the most powerful single motor driven units of their kind in the world. Total power output exceeds 24,000 HP.

In November, a \$13 million export order for eight grinding mills and auxiliary equipment was received for the expansion of Compania Minera de Cananea's copper concentrator in Sonora, Mexico. The grinding mills, equipped with CGE 4500 HP synchronous motor drives, will provide an additional 61,500 metric tons per day to Cananea's copper ore grinding capacity. This will make Dominion Engineering the leading supplier of ore grinding mills in Mexico.

Dominion's mining engineers achieved another technological first in the development of Integear, a new approach to grinding mill gearing. This new development offers reduced installation time, improved mechanical equipment alignment, lower spares inventory and greatly reduced gear replacement downtime.

In response to the needs of the pulp



Stelco coilbox ready for shipment to The Algoma Steel Corporation.



and paper industry, significant investments were made in new product development and dedicated manufacturing facilities. A new twin-wire forming machine, the Dynaformer™ was developed for retrofitting existing Fourdrinier machines. Advantages of the new Dynaformer™ include increased productivity, drainage capacity and very low operating costs.

Dominion's Hydraulic Turbine Section was awarded contracts from Hydro-Québec for the design and manufacture of seven replacement runners for Francis turbines for central generating stations at Pagan, Groupes 2-8, Région Laurentides and for replacement runners at Rapide 2 and Rapide 7 generating stations.

An order was also received from La Compagnie d'Énergie MacLaren for five replacement Francis runners at the Masson and High Falls Power plants. DEW earned these contracts primarily because of its research and development capabilities.

Investment to increase capacity and improve productivity achieved record levels. The largest computer-controlled milling machine in Canada was recently installed at Dominion. The machine, with five-axis and 120 ton capability, performs precision milling on large hydro turbine blades and heavy apparatus resulting in substantially reduced cycle times.

Computer Aided Process Planning (CAPP), part of the CAD/CAM technology, was implemented at Dominion Engineering in January 1981. The system has substantially improved productivity and quality of output.

Ever mindful of energy conservation, the Company installed a high-voltage electrode boiler to generate steam for heating purposes to take advantage of low-cost, off-peak electricity available within the Company's subscribed demand. The cost of implementation will be covered by savings realized over a two-year period. It is expected that energy consumption will be reduced by 40 percent.

### Industrial Apparatus Department

The Department manufactures AC and DC electric motors with ratings ranging from fractional horsepower to custom designed multi-thousand horsepower units for use in residential, utility, and industrial applications.

A major part of its activities is focussed on industrial drive systems for the metals processing, paper making and mining industries, and specialized industrial systems including marine propulsion, electrics for diesel-electric locomotives and mine hoists. Plants are located in Peterborough and Trenton, Ontario.

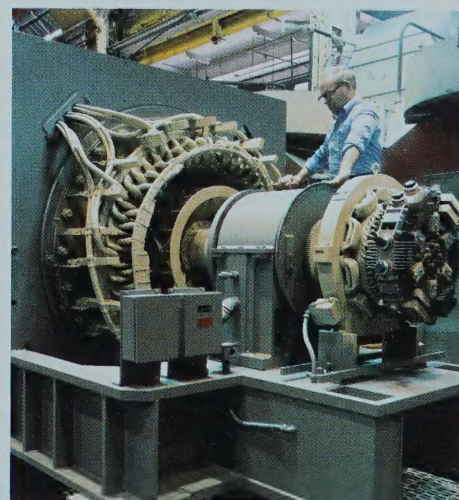
During 1981, the Department capitalized on recent product developments by securing major repeat orders in both domestic and international markets.

Orders were obtained for digital paper machine drives incorporating microprocessor controls, solid rotor synchronous motors to power pulp refiners and gas compressors, ore grinding mill drives and locomotive electrics with electronic wheel slip systems for Bombardier. An order was also obtained for our first load-commutated-inverter (LCI) AC

adjustable speed drive.

Thirty-five percent of all orders for industrial AC machines were obtained in international markets in 1981, up from 20 percent in the previous year. The Department will supply eight 4500 HP motors to accompany the sale of DEW ore grinding machines to the Cananea project in Mexico. Pulp refiner drive orders were secured for projects in Brazil and the United States, and an order for the sale of locomotive traction motors to Pakistan was completed at year end.

The Small Motors business continued its heavy investment in capital equipment with particular emphasis on automated manufacturing equipment. A huge 500-ton Benelli press at the Trenton Appliance Motor Plant is mass-producing endshields and components used in "Form T" laundry motors. The latest in automatic winding technology has been added to both General Purpose and Induction Motors.



An 18,000 HP 4 pole brushless synchronous refiner motor for a thermal mechanical pulping plant located on Vancouver Island.

## Apparatus and Heavy Machinery Division

The Department's Service Shop business grew steadily in 1981, with substantial growth in Edmonton, Alberta, and in Kamloops, B.C. Investment in new machine tools was a high priority for the nine shops across the country. Key emphasis was on the development of the mechanical repair segment of the business in Montreal, Burlington and Edmonton shops.

Extensive renovations have been made to the Department's manufacturing and office facilities in Peterborough to improve efficiency and better serve customers. New and expanded manufacturing facilities for drive systems were constructed, as well as a new central receiving area and modernized marketing offices. Health, safety and human concerns are further reflected in the new hospital addition and employee relations facilities.

### Power Delivery Department

The Department manufactures equipment for the transmission, distribution, regulation, and measurement of electrical energy. Products include transformers, static compensators, switchgear, watthour meters, instruments and appliance controls. Plants are located in Guelph, Peterborough and Toronto, Ontario; Sackville, New Brunswick; Québec City and St. Augustin, Québec; and the United Kingdom.

In 1981, the Department's Switchgear Section in Peterborough acquired world product mandates for the manufacture of large industrial rectifiers and isolated phase bus duct.

Industrial rectifiers continued to offer significant market opportunities during 1981. Major orders included one from Reynolds Aluminum, USA, where eight large rectifiers in this system will provide 200,000 direct current amperes for the aluminum smelting process.

CGE has attained world recognition of its technological leadership in the isolated phase bus duct product line. The Switchgear Section acquired export orders for several bus duct projects in the United States and is currently manufacturing a major contract for the Virginia Electric and Power Company's Bath County Pump Storage project.

The Department's Power Transformer Section in Guelph implemented CAD/CAM technology in its engineering and drafting operations in 1981. The Section now has

automated design capability which significantly minimizes production cost while maintaining high product performance and reliability standards.

A new 3-phase extra high voltage shunt reactor design enabled the Section to obtain a major order for six 500 KV units from B.C. Hydro. This reactor is the first of its kind to be manufactured in North America. Another significant order was earned for four 255 MVA transformers for Hydro-Québec's MANIC 5 generating station.

The Meter and Instrument Section in Québec City continued to automate with the addition of one light assembly robot and a large five-axis programmable robot used in the loading and unloading of a die casting machine. The Section also acquired two advanced multi-purpose fastener and rivet machines. Significant



*The first of ten 735KV generator transformers for Hydro-Québec's LG3 James Bay Generating Station being shipped on the Power Transformer Section's new depressed centre rail car.*



improvements in quality and productivity have been achieved.

More than 40 percent of the Section's output is exported. Its United Kingdom manufacturing arm, Cange Limited, a producer of range timers since 1978, has now become a major supplier of range timers in the U.K. market.

During 1981, there was a significant increase in demand for high voltage direct current systems and static compensators in Canada and around the world. A high level of activity in these markets is expected to continue over the next few years. The Department will continue its emphasis on maintaining a world-competitive position in these technologies.

During the year two new static compensators for Hydro-Québec's James Bay transmission system at Nemiskau Substation became operational. The installation of two additional static compensators for the Albanel Substation was also near completion at year end.

### **Power Generation Department**

The Department provides a full range of electric generators for use with hydraulic, steam and gas turbines. It also supplies steam and gas turbines used in the development of Canada's electrical utilities and natural resources. The Department contributes to the development of Canada's CANDU nuclear system through the development and manufacture of

nuclear fuels and fuel handling systems. Plants are located in Peterborough and Toronto, Ontario, and in Lachine, Québec. A country-wide and international staff in Apparatus Technical Service provides a wide range of installation and maintenance services for electrical and mechanical apparatus.

The Department reported a very successful year again in 1981, with accomplishments in each of its five business sections. The hydroelectric generator business continued to supply hydroelectric generators globally. A 700 MVA unit for Venezuela's Guri II project was shipped in 1981, and three more 350 MVA units designed by CGE and manufactured by General Electric do Brasil S.A. were put into service at Furnas' Itumbiara Project in Brazil. The remaining three 184 MVA units for the Tarbela Project of the Pakistan Water and Power Development Authority were shipped and the first unit was installed near year end. At home, the last two of eight 370 MVA units for the James Bay Energy Corporation La Grande 2 Project were put into service, and the Northern Canada Power Commission ordered a 23.6 MVA generator for its Whitehorse Powerhouse #4.

In response to market demand, CGE is developing and delivering new generator products. For low-head applications, two 18.2 MVA bulb-type generators were completed and shipped for the St. Mary's Project undertaken by Great Lakes Power. A

19.1 MVA rim-type generator for the Annapolis Royal Tidal Power Project of the Nova Scotia Power Commission is scheduled to be shipped in 1982. Seven large generator motors for pumped storage application are being engineered for manufacture in the United States at a later date.

In the steam-turbine generator business, the second of four 800,000 KVA steam turbine generators was shipped to Ontario Hydro's Bruce Nuclear Generating Station. The first unit is in the installation phase, and manufacture of the third unit is under way in the Scarborough Plant in Toronto, Ontario. A General Electric LM2500 aircraft derivative industrial gas turbine rated 27,500 HP and its compressor load package were put into service on a natural gas pipeline in late January.

Investment aimed at productivity improvements continued at the Scarborough Plant with the installation of a numerically controlled (NC) horizontal boring mill, an NC vertical milling machine and a weld fume extraction system.

Apparatus Technical Service (ATS) continued to carry out many projects in Canada and abroad. One of the major projects under way is the installation of steam-turbine generator sets at Ontario Hydro's Bruce "B" Nuclear Power Plant. Bruce "B" is one of the largest nuclear power stations in the world and will be capable of supplying 3200 megawatts of electrical energy when completed. ATS was also

involved in the installation of a hydroelectric generator in Newfoundland and static compensators in Québec. ATS continued to supply technical direction on projects across the country with increasing emphasis on Western Canada.

On the international scene, ATS was involved in several projects including the installation of hydroelectric generators and hydraulic turbines in Pakistan, cement plant drive equipment in Indonesia and switchgear in Korea. Technical direction was supplied on projects in Brazil, India, New Zealand and Ireland.

The Nuclear Fuel Section enjoyed an outstanding year in 1981, with an excellent record of deliveries of CANDU fuel. CGE fabricated fuel

bundles for CANDU reactors, primarily for Ontario Hydro but also for export to Korea's Wolsun station. Substantial orders for delivery through 1983 were received from both Ontario and Korea.

The Section made a significant move in vertical integration in 1981, by commencing its own manufacture of zirconium tubes used in nuclear fuel bundles.

In the Nuclear Fuel Handling Section, shipment of the fuel handling equipment for Ontario Hydro's Bruce "B" nuclear power station was virtually completed during the year, and the design and manufacture of the fuel handling system for the Darlington nuclear power station is now under way. Continued involvement in the development of these systems keeps CGE at the forefront of this Canadian

technology. The Section was also selected to play a major role in Ontario Hydro's reactor channel replacement program which is typical of the continuing service role CGE plays in the CANDU reactor industry.

The first units of the Section's new Man-Mate® manipulator product line were shipped in 1981. Man-Mate® is an industrial manipulator that allows an operator to handle heavy items remotely, with complete dexterity. A typical application involves the handling of large metal parts in a forge or foundry.

Further steps in productivity improvement included the consolidation of the Section's manufacturing facilities and related activities within the Peterborough Plant and automation of its manufacturing operations.



10 *A generator stator leaving Peterborough plant for Ontario Hydro's Bruce Nuclear Power Development.*

# 1981

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# Summary of Significant Accounting Policies

The Financial Statements on pages 13-16 and the related notes on pages 17-20 are prepared in conformity with accounting principles generally accepted in Canada. These principles also conform in all material respects with International Accounting Standards on a historical cost basis. The most significant accounting principles followed by the Company are described below.

## **Basis of consolidation**

The Financial Statements in this report consolidate the accounts of Canadian General Electric Company Limited, its wholly owned subsidiaries and the companies in which it has a majority equity interest ("affiliated companies") except the finance subsidiary which has been accounted for by the equity method. The finance subsidiary has not been consolidated because its financial statement components are dissimilar to those of the consolidated group and management believes that its consolidation would not provide a more informative presentation to the shareholders. Associated companies in which the Company is able to exercise significant influence have been accounted for by the equity method.

All inter-company transactions and profits thereon have been eliminated in these consolidated financial statements.

## **Sales**

Sales of products and services to customers are reported in operating results only when title to products and materials passes to the customer or when services are performed as contracted.

## **Pensions**

The Company and its affiliates have a number of pension plans. The largest of these plans is the Canadian General Electric Pension Plan which uses the unit credit actuarial valuation method which assumes that a unit of pension benefit accrues in each year of credited service.

Pension costs include current service costs, valuation adjustments, and the amortization of past service costs over varying periods which approximate the remaining service lives of the employees affected.

Investments of Canadian General Electric Pension Trust, which funds the obligations of the Canadian General Electric Pension Plan, are recorded at cost plus a programmed portion of unrealized appreciation on equities. This accounting reflects long-term market trends with the objective of adding to cost over time such amounts as will result in an average common stock book value not more than 90% of its average market value over the prior five years. The actuarial funding program uses 8% as the estimated rate of future earnings of the Trust.

## **Translation of foreign currencies**

Foreign currency transactions are translated to Canadian dollars at the rate of exchange in effect at the date of the transaction. Foreign currency balances are translated using the rate of exchange in effect at the year-end date.

The foreign currency financial statements of foreign subsidiaries are consolidated by translating current assets and current liabilities to Canadian dollars at the rates in effect at the year-end date and property, plant and equipment at the rates prevailing at the respective dates of acquisition. Revenues and expenses are translated at average rates prevailing during the year except for depreciation which is translated at the rates prevailing when the related assets were acquired.

Foreign currency exchange and translation gains and losses are included in earnings currently.

## **Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first in, first out (FIFO) method for substantially all inventories and is based on the cost of material, direct labour and applied manufacturing overhead.

## **Plant and equipment**

Plant and equipment is recorded at the original cost of land, buildings and equipment, less investment tax credits and accumulated depreciation. The diminishing balance method is used to depreciate all plant and equipment except for leasehold improvements and certain equipment leased to third parties, which are amortized using the straight-line method. The depreciation rates applicable to buildings,

and machinery and equipment are principally 5% and 20% respectively. On major dispositions, the related costs and accumulated depreciation are removed from the accounts and any resultant gain or loss is included in earnings. Expenditures for maintenance and repairs are charged to operations as incurred.

## **Oil and gas resource properties**

Oil and gas resource properties are accounted for by use of the full cost method, whereby all costs related to exploration and development are capitalized and amortized using the revenue method based on estimated recoverable reserves.

## **Research and development**

Research and development expenditures are charged to operations as incurred.

## **Warranties**

Provision for product warranty costs is made by a charge to operations in the year the product is sold.

## **Company**

Canadian General Electric Company Limited, continued under the Canada Business Corporations Act.

## **Parent company**

General Electric Company,  
Fairfield, Connecticut, U.S.A.  
(91.9% equity interest)

## **Affiliated company**

Camco Inc (60.0% equity interest).

## **Wholly owned subsidiaries**

Amalgamated Electric Corporation Limited  
Canadian General Electric International Limited  
Cange Limited (United Kingdom)  
Dominion Engineering Company Limited  
Dominion Engineering Works Limited  
Genelcom Limited  
Montreal Armature Company Limited  
N.C. Joseph Limited (United Kingdom)  
W.L. Stevens Ltd.  
Widney Well Servicing (1971) Limited

## **Non-consolidated wholly owned subsidiary**

Genelcan Limited

## **Associated Company**

Smith & Stone Limited (34.0% equity interest)

## Consolidated Statement of Earnings (\$000's)

For the years ended December 31	1981	1980
<b>Sales of products and services (note 1)</b>	<b>\$1 700 102</b>	<b>\$1 465 871</b>
<b>Operating costs (note 2)</b>		
Employee compensation, including benefits (note 3)	509 068	463 915
Materials, supplies, services and other costs	1 055 072	890 261
Depreciation and amortization	32 747	29 443
Taxes, other than on income	11 067	10 856
	<b>1 607 954</b>	<b>1 394 475</b>
<b>Operating margin</b>	<b>92 148</b>	<b>71 396</b>
Other income (note 4)	11 008	9 686
Interest and other financial charges	(22 104)	(12 591)
<b>Earnings before income taxes and minority interest</b>	<b>81 052</b>	<b>68 491</b>
Provision for income taxes (note 5)	28 490	22 629
Minority interest	1 442	936
<b>Net earnings</b>	<b>\$ 51 120</b>	<b>\$ 44 926</b>
<b>Net earnings per common share</b>	<b>\$ 6.25</b>	<b>\$ 5.49</b>

## Consolidated Statement of Retained Earnings (\$000's)

December 31	1981	1980
Retained earnings, beginning of year	\$ 373 439	\$ 343 234
Net earnings	51 120	44 926
Dividends declared (note 6)	(15 950)	(14 721)
<b>Retained earnings, end of year</b>	<b>\$ 408 609</b>	<b>\$ 373 439</b>

The information on pages 12 and 17-20 is an integral part of these statements.

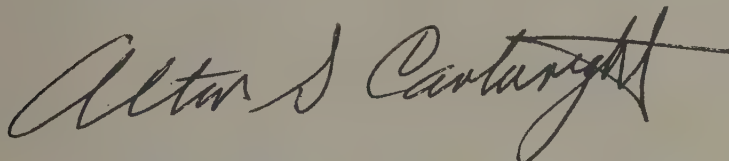
## Consolidated Statement of Financial Position (\$000's)

At December 31	1981	1980
<b>Assets</b>		
Current assets:		
Cash	\$ 7 323	\$ 4 550
Current receivables ( <i>note 7</i> )	281 958	276 793
Inventories ( <i>note 8</i> )	416 457	381 947
Deferred income taxes	22 030	19 327
	727 768	682 617
Long-term receivables ( <i>note 9</i> )	31 055	36 051
Long-term investments ( <i>note 10</i> )	11 547	9 700
Plant and equipment ( <i>note 11</i> )	203 210	171 765
Oil and gas resource property, net	36 772	21 297
Deferred charges and other assets ( <i>note 12</i> )	27 943	35 281
	\$1 038 295	\$956 711

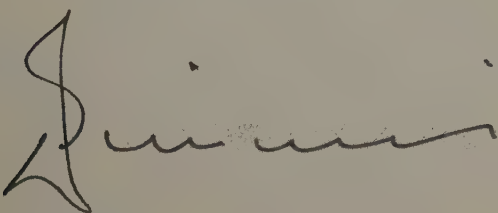
	1981	1980
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Short-term borrowings ( <i>note 13</i> )	\$ 31 097	\$ 58 900
Accounts payable ( <i>note 14</i> )	134 126	105 568
Progress collections	134 894	134 954
Dividends payable	4 090	3 681
Taxes payable	14 330	4 684
Other liabilities and accruals ( <i>note 15</i> )	139 158	126 875
	457 695	434 662
Long-term borrowings ( <i>note 16</i> )	59 302	54 269
Non-current accruals ( <i>note 17</i> )	32 968	30 095
Deferred income taxes	41 548	27 504
Minority interest	11 189	9 747
	602 702	556 277
Shareholders' equity:		
Capital stock ( <i>note 18</i> )	26 984	26 995
Retained earnings	408 609	373 439
Total shareholders' equity	435 593	400 434
	\$1 038 295	\$956 711

Commitments and contingencies (*notes 3 and 19*)

The information on pages 12 and 17-20 is an integral part of this statement.

On behalf of the Board: 

A.S. Cartwright, Director



D.W. Timmis, Director

## Consolidated Statement of Changes in Financial Position (\$000's)

For the years ended December 31	1981	1980
<b>Source of funds:</b>		
Net earnings	\$ 51 120	\$ 44 926
Adjustments for non-cash items		
Depreciation	32 747	29 443
Deferred income taxes	11 341	10 462
Minority interest	1 442	936
Other	6 581	(3 790)
From operations	103 231	81 977
Disposition of plant and equipment	4 264	5 845
Increase in long-term borrowings	5 033	9 290
Decrease in long-term receivables and investments	5 953	6 866
Increase in current payables	40 540	—
Other—net	7 328	—
	166 349	103 978
<b>Application of funds:</b>		
Increase in inventories, net of progress collections	31 727	13 066
Increase in receivables	4 573	2 561
Plant and equipment additions	68 134	71 535
Oil and gas resource property additions	15 798	14 463
Dividends paid	15 541	14 721
Decrease in accounts payable	—	60 267
Other—net	—	4 401
	135 773	181 014
Net change in cash, short-term investments and short-term borrowings	\$ 30 576	\$(77 036)
<b>Analysis of change:</b>		
Increase (decrease) in cash and short-term investments	\$ 2 773	\$(27 984)
Decrease (increase) in short-term borrowings	27 803	(49 052)
	\$ 30 576	\$(77 036)

The Consolidated Statement of Changes in Financial Position is presented on a cash flow basis. The comparative statement for 1980, originally presented on a working capital basis, has been reclassified to conform with the current year's presentation.

The information on pages 12 and 17-20 is an integral part of this statement.

## Notes to Financial Statement

These notes explain the more significant items included in the Financial Statements on pages 13-16 and the application of accounting principles, including those specifically discussed on page 12.

### 1. Sales

Industry segment sales and other industry segment information is disclosed on page 20.

Sales of the Company's foreign subsidiaries in 1981 amounted to \$22.4 million (1980 — \$27.5 million).

Export sales in 1981 were \$152.0 million (1980 — \$158.4 million).

Sales to the parent company and its affiliates in 1981 amounted to \$26.0 million (1980 — \$25.3 million).

### 2. Operating costs

Operating costs include research and development costs of \$24.3 million in 1981 (1980 — \$20.4 million).

Purchases of goods and services from the parent company in 1981 amounted to \$287.7 million (1980 — \$249.6 million).

### 3. Employee compensation, including benefits.

Employee compensation and benefits amounted to \$509.1 million in 1981 (1980 — \$463.9 million). The cost of benefits included \$24.4 million for Company pension and life and health insurance plans and \$20.7 million of Company costs for government pension, unemployment insurance, workmen's compensation, and health insurance plans.

Unfunded obligations of all pension plans in the consolidated group at January 1, 1981 were determined by independent actuaries to be \$80.8 million (January 1, 1980 — \$89.2 million). These obligations are normally funded over periods of up to 15 years in accordance with government legislation. The assets of these pension plans at January 1, 1981 were recorded at \$365.7 million (January 1, 1980 — \$330.9 million).

The most significant of these pension plans is the Canadian General Electric

Pension Plan which is funded by the Canadian General Electric Pension Trust, condensed statements of which appear below:

### Canadian General Electric Pension Trust

#### Condensed Operating Statement (\$000's)

For the years ended	1981	1980
December 31		
Company current and past service contributions	\$ 6 980	\$ 7 933
Employee contributions less refunds	116	382
Dividends, interest and sundry income	29 553	25 086
Capital gains	6 840	14 470
Reduction of unrealized appreciation recognized	—	(4 692)
Pensions paid	(21 240)	(15 317)
	22 249	27 862
Assets transferred from affiliated company's pension fund	94	568
Total assets at beginning of year	276 079	247 649
Total assets at end of year	\$298 422	\$276 079

### Canadian General Electric Pension Trust

#### Condensed Statement of Financial Position (\$000's)

At December 31	1981	1980
Bonds	\$ 88 048	\$ 81 643
Stocks	82 110	66 723
Mortgages and income producing properties	84 878	76 592
Short-term investments	39 942	47 544
	294 978	272 502
Other assets — net	3 444	3 577
	\$298 422	\$276 079

# Notes Continued

## 4. Other income (\$000's)

For the years ended December 31	1981	1980
Net income (loss) of finance subsidiary	\$ 424	\$ (463)
Share of net loss of associated company	(647)	(221)
Income from:		
Royalty and technical agreements	661	470
Customer financing	723	756
Long-term receivables	3385	2962
Short-term and other investments	395	1371
Disposition of property, plant and equipment	2992	1575
Other sources	3075	3236
	\$ 11 008	\$ 9 686

## 5. Provision for income taxes (\$000's)

For the years ended December 31	1981	1980
Currently payable	\$ 17 149	\$ 12 285
Deferred	11 341	10 344
	\$ 28 490	\$ 22 629

## 6. Dividends declared

In 1981, dividends were declared at the rate of \$1.95 (1980 – \$1.80) per common share.

## 7. Current receivables (\$000's)

At December 31	1981	1980
Customers' accounts	\$244 440	\$235 561
Parent company	11 231	11 936
Non-consolidated subsidiary	102	157
Progress payments to suppliers	5 854	10 739
Other receivables	20 331	18 400
	\$281 958	\$276 793

## 8. Inventories (\$000's)

At December 31	1981	1980
Raw materials and work in process	\$210 617	\$201 341
Finished goods	156 489	142 497
Unbilled shipments	49 351	38 109
	\$416 457	\$381 947

Unbilled shipments represent the cost of products shipped, for installation at customers' sites, to which title has not passed.

As stated in the summary of significant accounting policies, the first-in, first-out (FIFO) method is used to determine the cost of substantially all inventories. The last-in, first-out (LIFO) method is used to determine the cost of copper and aluminum in inventories. Had the FIFO method been used for all inventories, these would have been greater by \$2.6 million (1980 – \$5.2 million).

## 9. Long-term receivables

Included in long-term receivables is an amount of \$28.0 million due in installments to 1985.

## 10. Long-term investments (\$000's)

At December 31	1981	1980
Investment in finance subsidiary	\$ 9 802	\$ 7 378
Investment in associated company	733	1 317
Other	1 012	1 005
	\$ 11 547	\$ 9 700

A condensed consolidated balance sheet of the finance subsidiary, Genelcan Limited, appears below (\$000's):

At December 31	1981	1980
<b>Assets:</b>		
Finance receivables	\$ 69 284	\$ 81 683
Other assets	2 943	975
	\$ 72 227	\$ 82 658
<b>Liabilities:</b>		
Short-term	\$ 39 425	\$ 50 280
Long-term	23 000	25 000
	62 425	75 280
Shareholder's equity	9 802	7 378
	\$ 72 227	\$ 82 658

## 11. Plant and equipment (\$000's)

Major classes at December 31	1981	1980
Land and improvements	\$ 10 941	\$ 10 291
Buildings	122 064	112 477
Machinery and equipment	343 979	301 642
Leasehold improvements	2 791	2 071
	479 775	426 481
Less accumulated depreciation and amortization	276 565	254 716
Undepreciated cost at December 31	\$203 210	\$171 765

The estimated amount required to complete approved capital projects as of December 31, 1981 is \$101.3 million.

## 12. Deferred charges and other assets

Deferred charges include \$15.2 million being the balance of a special advance payment made to the Canadian General Electric Pension Trust to fund the vested portion of the unfunded pension liability. This pension cost is being amortized to operations over the next nine years. Also included is \$2.2 million relating to goodwill on the acquisition of businesses which is being amortized to operations over varying periods.

## 13. Short-term borrowings

Short-term borrowings at December 31, 1981 include \$19.4 million (1980 – \$55.9 million) due to Canadian chartered banks of which \$3.2 million (1980 – \$7.3 million) is in respect of the appliance affiliate. Also included is the current portion of long-term borrowings of \$0.3 million (1980 – \$1.3 million).

## 14. Accounts payable

Accounts payable include amounts due to the parent company incurred in the normal course of business of \$56.3 million (1980 – \$47.2 million) which are settled on normal commercial terms.



#### 15. Other liabilities and accruals

Other liabilities and accruals at December 31, 1981 include \$32.2 million (1980 — \$27.7 million) in respect of employee compensation and benefits including vacations, \$25.4 million (1980 — \$25.5 million) for warranties and \$6.5 million (1980 — \$6.1 million) in respect of accrued amounts due to the parent company.

#### 16. Long-term borrowings

The appliance affiliate has negotiated bank borrowing agreements to provide for a line of credit for a period of 18 months, such period renewable every six months. Accordingly, these bank borrowings have been classified as long-term and amount to \$53.4 million at December 31, 1981 (1980 — \$49.5 million) with interest at floating rates approximating Canadian chartered bank prime rates. These borrowings are secured by a general assignment of the affiliate's accounts receivable and inventories, a fixed charge on its real property, and a first floating charge on its other assets.

The remaining balance of \$5.9 million (1980 — \$4.8 million) represents certain special purpose loans of which \$0.3 million is with a Canadian chartered bank.

Interest on long-term borrowings amounted to \$13.6 million (1980 — \$9.0 million).

#### 17. Non-current accruals (\$000's)

At December 31 1981 1980

Accrual for pensioners

life insurance benefits \$ 29 923 \$ 26 579

Accrual for certain past

service pension

benefits, principally

vested 4 536 4 807

34 459 31 386

Less amount due within

one year included with

other liabilities and

accruals 1 491 1 291

\$ 32 968 \$ 30 095

#### 18. Capital stock (\$000's)

At December 31 1981 1980

Common shares:

Authorized, issued and

outstanding 8 178 800

shares without

nominal or par value \$ 26 942 \$ 26 942

Special employees'

preferred shares:

Cumulative

redeemable at par

value of \$50 per

share. Authorized,

issued and

outstanding 838

shares (1980 — 1 059

shares) 42 53

\$ 26 984 \$ 26 995

#### 19. Commitments and contingencies

The Company is contingently liable under guarantee for notes payable by its non-consolidated finance subsidiary, Genelcan Limited, which at December 31, 1981 amounted to \$60.6 million. Operating lease commitments, liabilities under purchase commitments, pending litigation and claims, in the opinion of management, are not considered to be material in relation to the Company's financial position.

## Industry Segment Information (\$000's)

In accordance with CICA recommendations on segmented information, businesses were grouped into three Industry Segments. These segments do not necessarily follow the Company's business organization structure.

The Company considers that it operates principally in one geographic segment.

In general, it is the Company's policy to price internal sales at approximately the equivalent commercial selling prices.

Corporate items include the elimination of intersegment sales, sundry income and expense items, and gains and losses associated with business acquisitions and divestitures.

In computing net earnings, general corporate expenses and interest and other financial charges have been allocated to the industry segments. General corporate expenses are allocated principally on the basis of cost of operations with certain exceptions and reductions which recognize

the varying degrees to which affiliated companies maintain their own corporate structures. Interest and other financial charges are allocated to parent company business components based principally on cash flow, whereas affiliated companies generally service their own debt. The provision for income taxes is based on the prevailing corporate income tax rates. The minority interest is included in general corporate items.

	Revenues for the years ended December 31					
	Total Revenues		Intersegment Revenues		External Sales and Other Income	
	1981	1980	1981	1980	1981	1980
Electrical apparatus and components	\$ 858 536	\$ 739 542	\$ 9 472	\$ 9 610	\$ 849 064	\$ 729 932
Consumer products and services	538 226	498 961	11 122	11 620	527 104	487 341
Machinery, technical systems and materials	352 522	270 036	20 047	18 890	332 475	251 146
General corporate items and eliminations	(38 174)	(32 982)	(40 641)	(40 120)	2 467	7 138
Total	\$1 711 110	\$1 475 557	\$ —	\$ —	\$1 711 110	\$1 475 557

	Segment operating profit for the years ended December 31		Net earnings for the years ended December 31	
	1981	1980	1981	1980
Electrical apparatus and components	\$66 132	\$50 033	\$29 761	\$22 977
Consumer products and services	38 319	28 788	11 169	9 601
Machinery, technical systems and materials	21 405	13 712	9 403	6 639
Total segment operating profit	125 856	92 533		
General corporate items and eliminations	(22 700)	(11 451)	787	5 709
Interest and other financial charges	(22 104)	(12 591)	—	—
Total	\$81 052	\$68 491	\$51 120	\$44 926

	Assets at December 31		Plant and equipment for the years ended December 31			
			Additions		Depreciation	
	1981	1980	1981	1980	1981	1980
Electrical apparatus and components	\$476 690	\$454 013	\$32 559	\$36 055	\$15 306	\$15 455
Consumer products and services	252 631	245 992	7 583	9 593	7 138	7 002
Machinery, technical systems and materials	211 056	176 201	23 405	24 784	9 712	6 700
General corporate items and eliminations	97 918	80 505	4 587	1 103	591	286
Total	\$1 038 295	\$956 711	\$68 134	\$71 535	\$32 747	\$29 443

**Electrical apparatus and components** includes hydro generators, steam turbine generators, industrial and transportation motors and controls, small motors, electrical components and controls, transformers, switchgear, meters, appliance controls and the maintenance, inspection, repair and rebuilding of

electrical and mechanical apparatus. **Consumer products and services** consists of major appliances and appliance service, lighting products, housewares and audio products and air conditioning equipment.

**Machinery, technical systems and materials** includes hydraulic turbines, heavy machinery for the mining, paper and

steel industries; jet engines for aircraft; electronic, communications and data communications equipment; materials including plastics, silicones, industrial cutting materials, and laminated and insulating materials; and computer timesharing and remote data processing services.

## Report of Management to the Directors

The consolidated financial statements of Canadian General Electric Company Limited and consolidated affiliates, including the notes to the financial statements, presented in this Annual Report, have been prepared in conformity with accounting principles generally accepted in Canada, as appropriate in the circumstances, and include amounts that are based on our best estimates and judgments. Financial information presented elsewhere in this Annual Report is consistent with that in the financial statements.

The Company maintains a system of internal financial controls and procedures, supported by a corporate staff of travelling auditors and supplemented by resident auditors located at various Company locations. This system of financial controls is time-tested and responsive to change.

An important safeguard in this system is the Company's long-standing emphasis placed on the selection, training and development of professional financial managers to implement and oversee the proper application of its internal controls.

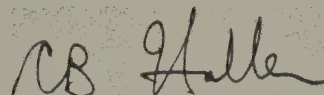
The Company's independent auditors, appointed by the shareholders, provide an objective, independent review of management's discharge of their responsibilities as they relate to the fairness of reported consolidated operating results and financial position of the Company in accordance with generally accepted accounting principles.

The Audit Committee of the Board of Directors is composed solely of outside directors. The shareholders' auditors have free access to this Committee, without management present, to discuss the results of their audit work and their opinion on the adequacy of internal financial controls and the quality of financial reporting.

The Company's management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the recording and reporting requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its domestic and international activities.



Chairman of the Board  
and Chief Executive Officer



Vice President — Finance  
January 29, 1982

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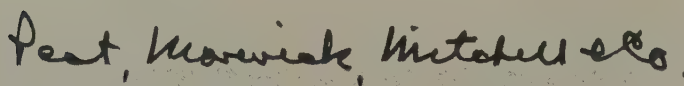
## Auditors' report to the shareholders



### Peat, Marwick, Mitchell & Co.

We have examined the consolidated statement of financial position of Canadian General Electric Company Limited and consolidated affiliates as at December 31, 1981 and 1980, and the consolidated statements of earnings, retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1981 and 1980, and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles applied on a consistent basis.



Chartered Accountants

Toronto, Canada  
January 29, 1982

## Ten Year Summary

(Dollar amounts in millions except per share amounts)

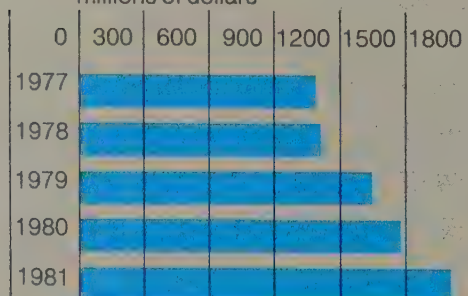
	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972
Sales of products and services	\$1 700	\$1 466	\$1 339	\$1 104	\$1 080	\$ 879	\$ 822	\$ 710	\$ 583	\$ 530
Net earnings (before extraordinary items)	51.1	44.9	38.3	33.6	30.5	32.7	36.1	23.4	18.7	16.5
Net earnings per share	6.25	5.49	4.69	4.11	3.73	4.00	4.41	2.92	2.28	2.02
Earnings as percentage of sales	3.1%	3.1%	3.0%	3.2%	2.9%	3.7%	4.4%	3.4%	3.2%	3.1%
Book value per common share	\$53.25	\$48.95	\$45.26	\$41.75	\$39.24	\$37.06	\$34.18	\$32.56	\$30.39	\$28.87
Market price (last sale of the year) per common share	\$30.00	\$33.00	\$29.50	\$28.00	\$24.50	\$23.00	\$24.25	\$20.00	\$26.50	\$32.00
Dividends on common shares	\$ 1.95	\$ 1.80	\$ 1.75	\$ 1.60	\$ 1.55	\$ 1.40	\$ 2.20*	\$ 1.00	\$ 1.00	\$ 1.00
Current assets	\$ 728	\$ 683	\$ 681	\$ 532	\$ 497	\$ 407	\$ 441	\$ 383	\$ 256	\$ 234
Current liabilities	458	435	433	310	313	239	289	247	132	127
Total assets	1 038	957	904	730	666	571	602	564	430	410
Plant and equipment additions	\$ 68.1	\$ 71.5	\$ 40.0	\$ 28.8	\$ 25.3	\$ 21.1	\$ 21.1	\$ 24.8	\$ 14.2	\$ 15.0
Depreciation and amortization	32.7	29.4	23.8	20.6	17.6	15.7	16.8	18.5	16.5	17.2
Provision for income, property, and capital taxes	39.6	33.5	35.2	26.2	23.9	30.5	34.6	24.8	21.3	20.6
Average number of employees	19 987	20 549	19 767	18 662	18 823	17 512	18 789	19 193	17 890	17 583

\*Includes a special dividend of \$1.00 per share

## Five Year Summary

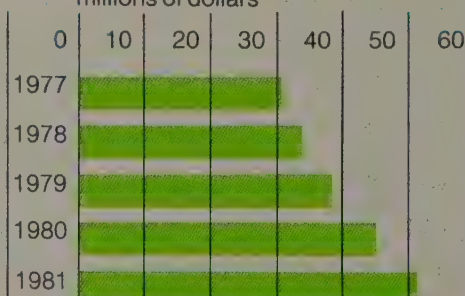
Sales of Products and Services

millions of dollars



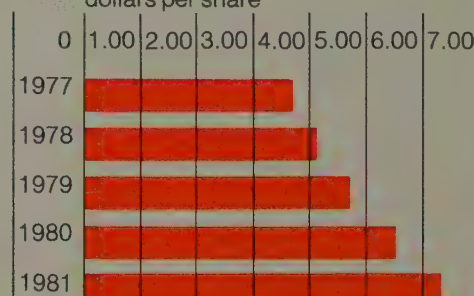
Net Earnings before extraordinary items

millions of dollars

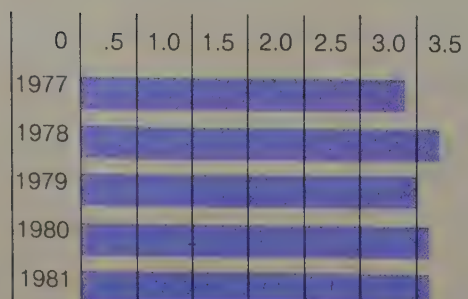


Net Earnings per share before extraordinary items

dollars per share

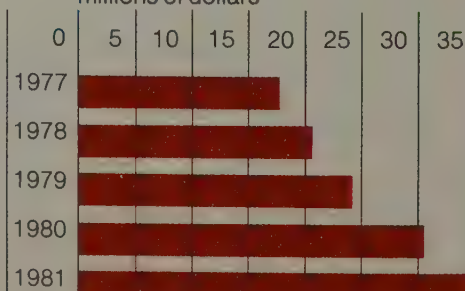


Earnings as a percentage of sales



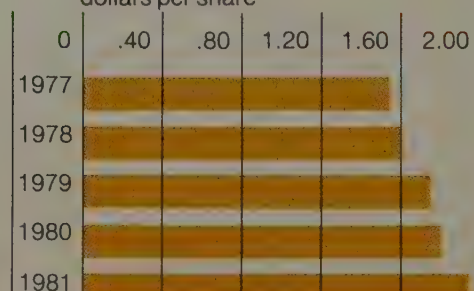
Reinvested Earnings

millions of dollars



Regular Dividends

dollars per share





Robert T. E. Gillespie  
V.P. and Division Executive

## Consumer and Construction Products Division

**T**he Consumer and Construction Products Division achieved record sales despite a deepening recession in the second half of the year which adversely impacted on consumer, construction and automotive markets. Particular strength came from rapid growth in high technology product lines such as information services, polymer sheet and resins, new composite products, lighting, traffic control and remote control.

In June 1981, construction began on a \$97 million compressor airfoil plant in Bromont, Québec. This plant will produce compressor blades and vanes for the General Electric CF6 family of high efficiency jet engines. The new airfoil plant will make a significant contribution to the Industrial Benefits program in support of the \$1 billion F404 engine contract for the CF18A fighter plane.

The Division also expanded its Widney Well Servicing (1971) Limited subsidiary.

Capital expenditures totalled over \$25 million and included robots for the molded composites business and a CALMA computer graphic system as part of the program to apply CAD/CAM technology to moldmaking. A 2.2 million expansion was made to the filament winding plant located in St. André Est, Québec.

Emphasis in product development continued to be on the energy-saving needs of customers. Energy savers include the

Weathertron® Heat Pump; Wattmiser® and Circlite™ fluorescent lamps; halogen sealed beams; high strength and light-weight parts and assemblies for automobiles and business machines; Lumaglow™ fixtures; and Light-'N'-Easy™ plastic irons.

### Construction Products Department

The Department produces circuit protective devices, distribution assemblies, motor control centers, general purpose control equipment, magnet wire, ballasts, lighting systems, heating products, traffic control equipment and remote control wiring systems for the construction industry and industrial and commercial users. Plants are located in Toronto, Markham, Peterborough and Guelph, Ontario.

During 1981, the Department continued to focus on the growing demand for energy-efficient products. This thrust was bolstered by a high level of activity in office building construction and renovation, and by the Federal government's "off-oil" program.

Major orders received demonstrated strong market acceptance of the Department's line of energy-saving lighting products. For example, Michelin Tires installed Filterglow™ fixtures in its new plant in Nova Scotia. Dominion Stores purchased Lumaglow™ fixtures for a major warehouse renovation in Toronto, Ontario. A new product, the energy-saving Maxi-Miser™ fluorescent ballast, was introduced

during the year with a major retrofit installation at the Toronto-Dominion Tower in Toronto. The continuing emphasis on energy management systems was highlighted by an order for a programmable lighting control system for the Manulife Centre in Edmonton, Alberta. Oakville became the fourth Ontario municipality to order the Department's recently introduced computerized traffic control system.

Several product development programs emphasized energy efficiency. New automotive engine heaters were developed to fit the smaller engines of compact cars produced by North American automobile manufacturers. A new line of meter centres for apartment buildings was introduced to meet the demand for measuring power consumption in individual apartments.



New Lumaglow® fixtures installed in Dominion Store warehouse.

## Consumer and Construction Products Division

A new Powermark® residential load centre was developed to supply the requirements of the off-oil retrofit market. Remote mounted high intensity discharge (H.I.D.) ballasts were redesigned to provide cost and quality benefits.

Investment to increase both productivity and capacity continued at the Department's magnet wire facilities in Peterborough and Guelph, Ontario. Other investments include a microprocessor-controlled compound mixing system to reduce ballast production costs; electronic testing equipment to improve high intensity discharge ballast quality and manufacturing efficiency; and a minicomputer for use in the development of computerized traffic control systems.

### Housewares and Home Entertainment Department

The Department manufactures and/or distributes portable kitchen appliances; garment, personal and home care products; audio equipment; heat pumps and air conditioning equipment and lawn care products. The Department's manufacturing plants are located in Barrie, Ontario, and Stratford-Upon-Avon in the United Kingdom.

A number of important new products were introduced to the marketplace by CGE Housewares in 1981. An expanded line of Light'N Easy® plastic irons, a continuous clean Toast-R-Oven®, a digital Brew Starter® drip coffeemaker, plus an upgraded line of floor care products and an

expanded line of personal care products were well received by consumers.

These new products were promoted under the theme, "We Bring Good Things to Life", as part of CGE co-sponsorship of the telecast, "Hockey Night in Canada". As a result of these and other marketing activities the CGE position in the housewares market has improved considerably.

In the frypan manufacturing operation, the level of export sales to the General Electric international system was increased in 1981. This was achieved largely as a result of the rationalization of manufacturing operations at Barrie, Ontario, which has resulted in the manufacture of these frypans at world competitive costs.

In keeping with the Department's objectives to rationalize operations to improve profitability, the manufacture of can openers and mixers was ceased at year end. Growth in the manufacture of other products and the development of new lines resulted in stable levels of employment at the Barrie plant throughout 1981.

In audio products, the Company's range of distinctive portable radio and cassette recorders was enhanced by the introduction of new products. Of particular note was the introduction of a second model to complement the highly successful programmable clock radio "The Great Awakening®" and the addition of two new high performance long-range receivers. Also introduced was the CGE "Silver Signature" collection, representing the



*The CGE frypan, a useful addition in the kitchen of any home.*



latest in contemporary styled, fully featured stereo radio cassette recorders.

For the fourth consecutive year, sales of Weathertron® heat pumps recorded strong sales growth.

The Federal Government's "off-oil" (COSP) programme launched in October 1980 is now being supported by provincial utilities offering low interest loans to consumers who are switching to electric heat. In addition, public recognition of the inevitability of increasing oil prices is another factor encouraging conversion from oil.

With a solid market position and the support of a strong group of dealer contractors, who act as distributors, the Company is well positioned to take advantage of the switch to electric heating.

## Lamp Department

The Department manufactures and sells to the commercial, industrial, retail, automotive and export market a wide range of incandescent, fluorescent, high intensity discharge and photo flash lamps. Plants are located in Toronto and Oakville, Ontario, and Montréal, Québec.

The Department achieved another strong year of growth in both sales and earnings despite a soft export market and slow growth in the domestic market. The above-average performance in the domestic market was due in part to the introduction and promotion of new energy-efficient products.

With increased consumer awareness of the need for energy conservation, the demand continued to be strong for energy efficient lighting

sources. To meet this demand the Department expanded the Wattmiser® family of lamps to include Wattmiser® PAR Spot and Flood lamps, Multi-Vapor® II lamps and added to the wattage of the Lucalox® and Multi-Vapor high intensity discharge lamps.

Superbright® and Regal White® fluorescent lamps were added to the fluorescent lamp line to provide better and more energy-efficient coloured light sources.

To provide effective lighting for the rapidly growing indoor plant market, the Department introduced the Gro & Sho® Bright Stik® fluorescent lamp and a plant light kit. These products supplement natural light, stimulate plant growth and give the consumer greater flexibility in placing plants throughout the home regardless of natural light sources.

To bring the energy efficiency advantages of fluorescent lighting into the home, the Circlite®, a round fluorescent lamp, was introduced. This lamp, designed to help consumers reduce energy consumption, provides the same light output as a 100 watt incandescent lamp, but uses only one half the power. A lower wattage version is planned for 1982.

Halogen sealed beam headlamps have contributed to the growth in sales in the automotive market. New product introductions such as the manufacture of locomotive headlamps and an export version of this product for stage, studio and display applications also contributed to the Department's success.



*The energy saving round fluorescent lamp the Circlite.®*

The Department continued to concentrate on improving productivity. The TIME program (Teams Improving Manufacturing Efficiency) generated a productivity improvement of over five percent.

Research and development activities continued at a record pace with an 18 percent increase in expenditure. Work continues in the development of a whole new generation of products that will bring cost and energy efficient lighting to consumers.

## Materials and Specialty Systems Department

The Department manufactures mobile radios, silicone fluids and compounds, Lexan® sheet, molded plastic components, chemical resins and fibreglass reinforced products. It distributes other General Electric products in aerospace and information services markets. Plants are located in Cobourg and Toronto, Ontario, and St. André Est, Québec.

This year was marked by increased sales in Valox®, Noryl® and Lexan® molding resins. The combination of high strength and light weight makes these materials particularly attractive to

## Consumer and Construction Products Division

the automotive sector. Valox® resins are now used extensively in the manufacture of wiper blades; Lexan® resins have replaced steel in instrument panels and interior trim.

The year also saw the completion of a retrofitting program in our Carboloy® tungsten carbide plant. Every aspect of Carboloy® products manufacture has now been up-graded with the latest, most productive equipment available.

Investment in both filament wound and molded composites technology was continued in 1981. A CALMA computer graphics system was acquired in 1981 as part of our program to apply CAD/CAM technology to moldmaking.

Sales of the new Century II mobile radio have exceeded expectations. Its compact construction makes it ideal for most commercial applications.

Construction of a new \$97 million compressor airfoil plant at Bromont, Québec was under way at year end. This plant will produce compressor blades and vanes for the CF6 family of



*Lexan® resins have replaced steel in the instrument panel of the "J" car.*

high efficiency jet engines.

The Department is actively developing other opportunities in the defence and resource industries for the sale of aerospace products. Like the Bromont plant, most of these opportunities involve significant Canadian industrial benefit programs.

### Gescan

*Gescan is the wholesale distribution operation for many of the Company's manufacturing businesses, and more than 200 non-CGE manufacturers. Gescan is one of the largest electrical distributors in Canada. With 45 locations coast-to-coast, Gescan serves the needs of electrical and industrial contractors, public and private utilities and governments at all levels.*

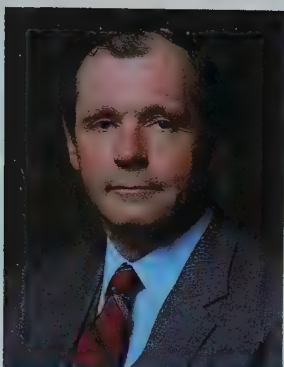
Faced with rising interest rates and cost-inflation, the key issues addressed by Gescan in 1981 were the need to improve its selling margins and the turnover of working capital. The opening of a new national warehouse contributed to increased sales margins and also lowered working capital by reducing physical distribution and inventory carrying costs on a number of high volume products. Terms of sale were revised to more closely control outstanding receivables and the quality and mix of inventories were greatly improved. Margin improvement objectives were established on a differentiated basis for each market area in the country. These initiatives greatly contributed to a substantial improvement in sales margins over the previous year.

During 1981, each Gescan location underwent a detailed profitability study to evaluate performance against changing market conditions. As a result of this evaluation, four locations were closed down, two new ones were opened in areas showing growth and profit potential and other branches were enlarged.

Gescan continued to be a major supplier to the construction market in 1981 by participating in such major projects as the new Convention Centre in Edmonton, Alberta; the College Park Complex in Toronto, Ontario; and the Auto-Route Ville-Marie in Montréal, Québec.



*Gescan increased its sales margins by opening a new national warehouse.*



*W. R. C. Blundell  
President and Chief Executive Officer*

# Camco Inc

**C**amco Inc is Canada's leading manufacturer of dishwashers, ranges, microwave ovens, refrigerators, room air conditioners, dehumidifiers and humidifiers. It also manufactures washers and dryers.

While the appliance market in Canada has experienced difficulties over the past four years, Camco achieved significant improvement in operating margins. In 1981, net income improved over the previous year.

Research and development and the introduction of innovative products will play a major role in keeping the Company moving ahead. In 1981, the main focus for Camco Inc centred on cooking products. The conventional-size range manufactured at the Weston Plant was redesigned to incorporate cost-saving production methods, advanced safety features, lower service costs and improved Energuide ratings. These improvements will help to strengthen the Company's position in this segment of the market.

The solid-element range, complete with electronic timer, made its appearance in 1981. This is the first of

its type to be manufactured in North America. Sales indicate that the range has already established itself as a market leader.

The new modular-type range was also introduced. This model offers the choice of three interchangeable ways to cook: by conventional infinite heat control elements, by griddle or by grill.

Another new product, the combination range incorporates conventional and microwave cooking

in one oven — conventional heat for golden brown results with the advantage of microwave for faster cooking. The combination range also cleans itself automatically and economically.

Energy conservation continues to be of major importance in the manufacture of refrigerators. The installation of the energy saving switch, insulation upgrading and system balancing have contributed to an



*The Solid Element Range complete with Electronic Timer.*



*The new Hotpoint refrigerator with the energy saving switch.*

overall improvement in the energy efficiency of all Camco built refrigerators.

Product quality is a major objective of Camco. In 1981, the Company increased its investment in quality testing systems, in quality information feedback systems, and in training programs to involve all employees in the quality process. These programs will help to strengthen the competitive position of Camco Inc in 1982.

Improving the quality of working life is also a high priority at Camco. During the year, the Company moved ahead in its program for increased employee involvement and participation in solving work place problems.

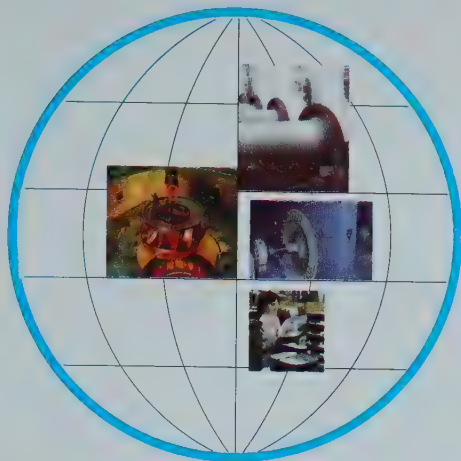
The Quality Circles concept, where groups of employees actively participate in work place problem identification and problem solving, was introduced in the Montreal plant. Employee Involvement Programs were also initiated in the Orangeville and Weston plants and in selected Sales and Distribution and Consumer Service Departments across the country.



*The new Combination Range with Conventional and Microwave Oven.*



*The new modular-type range with three interchangeable ways to cook.*



# People – A Strategic Resource

**M**aking sound investment decisions and implementing strategic plans require special skills at every level of the organization. People determine a company's success. At Canadian General Electric, people are our greatest investment and most important resource.

Human resource planning and development is a major activity at CGE and an integral part of corporate strategic planning. It is a responsibility carried out by all operating and staff components within clearly defined guidelines. The objective is to identify Company needs throughout the organization and to provide for the technical skill and leadership required to attain strategic goals.

Business restructuring and technological change present even greater challenges for human resource planning. Change has heightened the need to develop programs which will help employees to adjust to new work environments and changing skill requirements – be it in the factory or in the corporate office.

CGE emphasizes the individual development of people. To this end,



*Nicola Webb, relations development program participant, discusses the design of an employee relations publication.*

constant efforts are made to improve and upgrade the quality of training available to CGE employees, to match interest and skill, and to identify and develop potential.

Comprehensive training programs are offered at all major CGE locations. These programs cover everything from skills in tool and die-making, for example, to training for sales and sales support personnel. On-the-job training is also an important aspect of skill development at CGE. As the Company is being restructured, extended training periods and opportunities to re-train are being offered to help employees adjust to business reorganization and technological change.

In anticipation of future needs, the Company is developing skilled tradesmen through apprenticeship programs. This program has been re-vitalized in response to the national need to become self-sufficient in the skilled trades through the training of young Canadians as well as through the upgrading of production workers. CGE currently employs 110 apprentices, most of them at the Peterborough Plant, where more than 1900 have received practical and academic skilled trades training since the first apprenticeship program was started in 1892.

Each year graduates from Canadian universities, community colleges and technical institutes are recruited from the fields of engineering, finance, business administration, economics and other disciplines. Upon joining the Company, the graduate is included in one of three entry-level programs, all of which were revised and upgraded in 1981.

The Professional Development

Program is for graduates seeking careers in manufacturing, marketing, engineering and employee relations and is two years in duration. Work assignments in stage one provide the participant with the opportunity to select a company function based on his or her career objectives and the Department's current needs. This is generally a period of assessment.

Stage two involves three six-month work assignments within the selected function designed to increase the participant's technical and overall business competence. In both stages the work experiences are reinforced with appropriate seminars and formal courses.

The success of the program for both the participants and the Company is enhanced through careful planning of work experiences, and through appropriate evaluations, that is, careful matching of the assignment to the skills and interests of the individual.

The Professional Development



*Employees attending a Financial Management Program course at Royce plant.*

## People — A Strategic Resource

Program prepares candidates for future specialist and managerial positions in the various Departments of the Company.

The Information Systems Management Program is an entry-level program designed to provide the source for future leaders and managers within the information systems and computer service field by attracting high potential computer professionals.

This is a two year program which emphasizes on-the-job training in carefully selected work assignments, supported by intensive skills oriented courses. In addition, program members have the opportunity to participate in a series of weekly sessions designed to provide a background in planning, methodologies and an orientation to

functional organization and responsibilities.

Upon completion of the program, graduates are ready to accept responsible positions in information systems work.

The Financial Management Program is the principal entry-level program for graduates of universities and community colleges in accounting, commerce, business administration, economics and mathematics. The program consists of challenging work assignments and a studies program, which involves attendance at a two-hour seminar once a week for twelve weeks each spring and fall.

The Financial Management Program prepares people for continuing career growth in specialist work in finance and accounting and future financial management, although graduates are

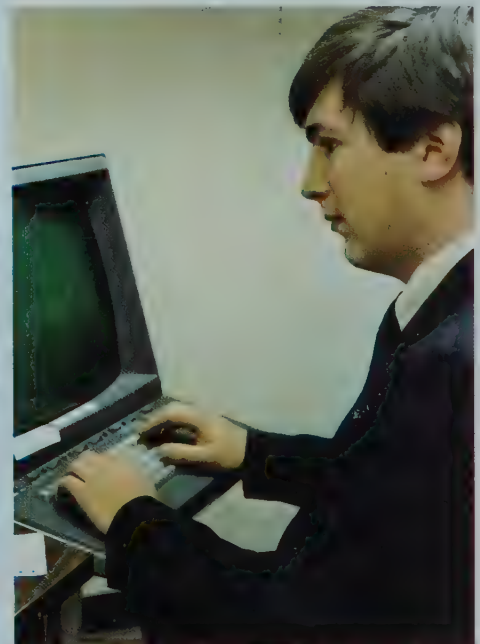
not restricted to these areas and may move into other functions such as marketing, human resources and general management.

Beyond the entry-level programs, the Company continues to provide development and upgrading opportunities for its specialists and managers. Selected CGE personnel attend courses in management at the General Electric Educational Institute, and management seminars offered at Canadian and American universities. Challenging job assignments and special projects are part of the development process for the future leaders of the Company.

In the past two years the Company has provided its top flight engineers with an opportunity to up-grade their knowledge by returning to university to obtain a Masters Degree in



*Nancy McConnell, engineering development program participant, nuclear Fuel Handling Section, checking a design feature.*



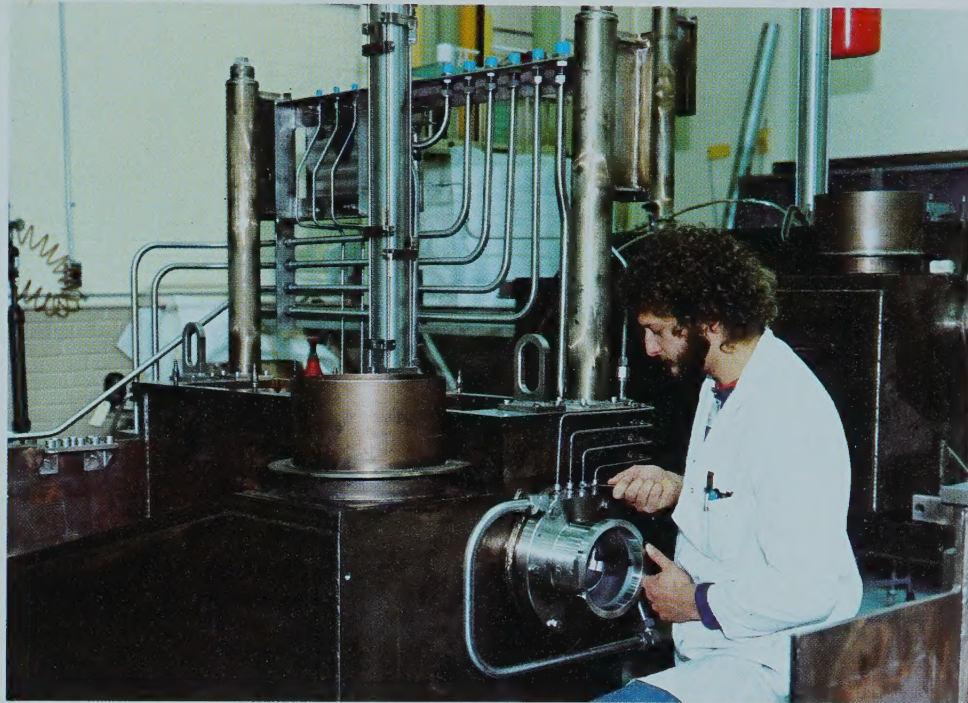
*Bill Buchanan, engineering development program participant, in the Nuclear Fuel Handling Section uses CAD/CAM to check design figures.*

Engineering. This program was developed by CGE in cooperation with the University of Toronto and L'Ecole Polytechnique de l'Université de Montréal. It is available to personnel from other companies as a regularly scheduled university course.

The Management Manpower Development system helps to identify employees with leadership potential. The system is based on performance evaluation and review of all management and professional personnel, including those in entry-level programs. Through the annual manpower review process, career goals and interests are related to proven performance and matched with Company needs. Leadership identification is confidential and subject to review at each management level.

The documentation process does not make future leaders. It merely identifies potential. Beyond that it is the job of management to develop future generations of managers by providing challenging assignments and ongoing, realistic evaluations of performance and potential.

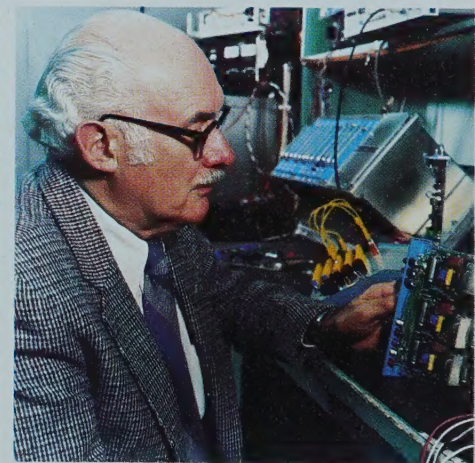
Another facet of human resource development is through participation in Quality of Working Life programs. Canadian General Electric believes in the potential of employees to contribute meaningfully to the decision-making process in the organization and performance of work. Quality Circles, where groups of employees actively participate in work place problem identification and



*Mark Buchholz, technician, assembling irradiated fuel discharge mechanism in the Nuclear Fuel Handling Section, Peterborough.*

problem solving, are becoming an increasingly important aspect of operations at CGE.

In summary, one of the key objectives of human resource planning and development at CGE is to develop a highly qualified workforce, motivated through performing meaningful and satisfying work in a climate conducive to personal growth. The challenge is to develop employees who are capable of providing leadership on the production line, in the laboratory and in the boardroom. People adept at leading other people, leading business and leading change.



*John Young who was awarded the Charles P. Steinmetz award in 1981, is one of many employees providing leadership in the laboratory and on the production line.*

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and Sector Executive  
Technical Systems Sector  
General Electric Company  
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Toronto, Ontario

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and Chief Executive Officer  
Revelstoke Companies Ltd.  
Calgary, Alberta

**Frank P. Doyle**

Senior Vice President  
Corporate Relations Staff  
General Electric Company  
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**Robert R. Frederick**

Executive Vice President  
and Sector Executive  
International Sector  
General Electric Company  
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**Robert B. Kurtz**

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Corporate Productivity and  
Quality Staff  
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Canada Packers Inc.  
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and Chief Executive Officer  
Provigo Inc.  
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**Walter G. Ward**

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Cavan, Ontario

**Alexander M. Wilson**

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and Chief Executive Officer  
Utah International Inc.  
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A.S. Cartwright (Chairman)  
D.S. Curry  
R.R. Frederick  
R.B. Kurtz  
H.I. Macdonald  
T.E. McClary  
W.F. McLean  
D.W. Timmis  
A. Turmel  
W.G. Ward

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Planning Committee**

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D.S. Curry  
F.P. Doyle  
R.R. Frederick  
M. Lamontagne  
M. McMurray  
D.W. Timmis  
W.G. Ward  
A.M. Wilson

**Management Development  
and Compensation  
Committee**

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R.R. Frederick  
W.F. McLean  
M. McMurray  
A. Turmel

**Public Affairs Committee**

M. Lamontagne  
H.I. Macdonald  
M. McMurray (Chairman)

# Management Canadian General Electric Company Limited

## Alton S. Cartwright

Chairman of the Board  
and Chief Executive Officer

## Operations

### Robert T.E. Gillespie

VP and Division Executive  
Consumer and Construction  
Products Division

### Russell M. Baranowski\*

VP and General Manager  
Housewares and Home  
Entertainment Department

### Harry W. Johnson

VP and General Manager  
GESCAN Department

### Richard T. Martin

VP and General Manager  
Construction Products  
Department

### Walter E. Noble

VP and General Manager  
Materials and Specialty  
Systems Department

### Robert Story\*\*

VP and General Manager  
Lamp Department

## Affiliated Company Camco Inc

### W.R.C. Blundell

President  
and Chief Executive Officer

### D. Forrest Rankine

VP and Division Executive  
Apparatus and Heavy  
Machinery Division

### John H. Churchman

VP and General Manager  
Power Delivery Department

### Harold C. Dickout

VP and General Manager  
Power Generation  
Department

### Max Drouin

VP and General Manager  
Apparatus and Heavy  
Machinery Sales  
Department

### Walter R. Fell

VP and General Manager  
Dominion Engineering  
Works

### Merritt E. Gordon

VP and General Manager  
Industrial Apparatus  
Department

## Corporate

### Victor L. Clarke

VP and Corporate Executive  
Corporate Strategic Planning  
and Development

### David F. Abel

VP – Corporate Strategic  
Planning and Review

### Francis Moskal

VP – Corporate  
Manufacturing  
Planning and Review

### Peter E. Pashler

VP – Corporate Technology

### Ivan R. Feltham, Q.C.

VP – External Affairs, General  
Counsel and Secretary

### Kenneth L. Broe

VP – Corporate Relations  
and Western Canada

### Archibald F. Johnston

VP – Public Affairs and  
Government Relations

### Carl B. Haller

VP – Finance

### William J. Briggs

VP and Treasurer

### V. Gerold Staffl

VP and Comptroller

### Terrance W. Sutherland

VP – Corporate Human  
Resource Operation

## Corporate Headquarters

Commerce Court North  
25 King Street West  
Toronto, Ontario  
(416) 862-5500  
Mailing Address:  
P.O. Box 417,  
Commerce Court North  
Toronto, Ontario M5L 1J2

## Auditors

Peat, Marwick, Mitchell & Co.  
Toronto, Ontario

## Transfer Agent and Registrar

National Trust Company,  
Limited  
Toronto, Ontario

## Wholly Owned Subsidiaries

Amalgamated Electric  
Corporation Limited  
Canadian General Electric  
International Limited  
Cange Limited (United  
Kingdom)  
Dominion Engineering  
Company Limited  
Dominion Engineering Works  
Limited  
Genelcom Limited  
Montreal Armature Company  
Limited  
N.C. Joseph Limited (United  
Kingdom)  
W.L. Stevens Ltd.  
Widney Well Servicing (1971)  
Ltd.

## Non-Consolidated Wholly Owned Subsidiary

Genelcan Limited

## Associated Company

Smith & Stone Limited (34  
percent equity interest)

\* Effective January 4, 1982  
R.M. Baranowski was appointed General  
Manager—Lamp Department.  
\*\* Effective January 31, 1982 Robert Story  
retired in accordance with the terms of the  
CGE pension plan.

Serving  
Canadians for  
One Hundred  
Years